

MEMORANDUM TO THE FILE

RE: 49 L Street PBC Screenings and Negotiated Sale to Public Body

In accordance with 41 C.F.R. §§ 75.255 and 75.350, GSA has discretion over whether to screen for Public Benefit Conveyances on properties that are surplus to the Federal Government and either deemed unsuitable for homeless use by HUD, or which have been screened for homeless use with no successful applicant. Similarly, it is within GSA's discretion whether to make such properties available to State/local governments by negotiated sale. The applicable regulations (excerpted) provide as follows:

<p>§ 102-75.255 What are disposal agencies' specific responsibilities concerning the disposal of surplus property?</p> <p>The disposal agency must determine that there is no further Federal need or requirement for the excess real property and the property is surplus to the needs of the Federal Government. After reaching this determination, the disposal agency must expeditiously make the surplus property available for acquisition by State and local governmental units and non-profit institutions (see § 102-75.350) or for sale by public advertising, negotiation, or other disposal action. The disposal agency must consider the availability of real property for public purposes on a case-by-case basis, based on highest and best use and estimated fair market value. (Emphasis added.)</p>	<p>§ 102-75.350 What are disposal agencies' responsibilities concerning public benefit conveyances?</p> <p>Based on a highest and best use analysis, disposal agencies may make surplus real property available to State and local governments and certain non-profit institutions or organizations at up to 100 percent public benefit discount for public benefit purposes. Some examples of such purposes are education, health, park and recreation, the homeless, historic monuments, public airports, highways, correctional facilities, ports, and wildlife conservation.</p>
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The 49L Street property consists of a 29,653 sf site improved with an approximately 32,000 gsf one-story brick warehouse built in 1924. The building is not historic, and is generally in poor condition. It is not habitable in its current state. It is an open floorplan warehouse with a small number of administrative offices at the north end of the building.

In the case of the 49 L Street, there are a number of PBC conveyances that are not reasonably appropriate based on the configuration of the property and a highest and best use analysis. These include:

- Correctional
- Self Help Housing
- Port Facility
- Wildlife conservation
- Public Airport
- Highway

- Widening of Public Roads
- Power Transmission lines
- Historic Monument
- Park & Recreation

Based on the judgment of the NCR Disposal staff, the 49 L Street will not be screened for these PBC programs.

The four remaining PBC conveyances:

- Education
- Public Health
- Law Enforcement
- Emergency Response

were considered in further detail given relevant circumstances. The current configuration of the building appeared to at least meet the criteria for one or more potential uses under these programs.

Ultimately, PBS NCR has decided not to screen for these conveyances for the following reasons:

- The most recent appraisal, dated September 2013, identifies the highest and best use of the site as a demolition of the existing building, and redevelopment of a mixed used product type. The product mix would be office and/or residential use over ground floor retail, consistent with other development in the neighborhood. The existing building is not consistent with patterns of development present in the adjacent community, and the PBC uses contemplated would not be consistent with the development of the surrounding community.
- The building is in poor condition, and would not support occupancy in its current state. It currently requires the roof to be replaced, is in need of structural repairs, has non-working electrical and water systems, and has numerous cracks in the exterior walls. GSA estimates that it would take approximately \$4,000,000 to make the building ready for human occupancy. GSA had inquiries from the adjacent property owner to rent / store equipment on the site, and NCR declined due to life-safety concerns regarding the building.
- The Presidential Memorandum of 10 June 2010¹ strongly encourages real estate cost savings and proceeds through the effective management and sale of surplus real estate assets.
- As part of its efforts to meet its agency goal for this effort, GSA will proceed to take the property to public sale to recover proceeds which would be used to re-invest in the improved utilization of its real-estate assets.

¹ *Disposing of Unneeded Federal Real Estate – Increasing Sales Proceeds, Cutting Operating Costs, and Improving Energy Efficiency.* (Available at: <http://www.whitehouse.gov/the-press-office/presidential-memorandum-disposing-unneeded-federal-real-estate>).

In addition, NCR does not propose to screen for the Negotiated Sale conveyance, which is also a discretionary screening. The primary driver for this decision is that in April 2015, GSA was notified by the District of Columbia that they did not want to proceed with a Section 412 exchange project in which the District would have to front the value of the building in services. Given that the District was not willing to proceed with a full fair market exchange in April 2015, NCR will not offer the building to the District for a negotiated sale.

This memo was prepared in consultation with the National Real Property Utilization and Disposal Program office and the Office of Regional Counsel.

(b) (6)

Name: Tim Sheckler
Title: Director, Real Property Utilization and Disposal Division
Date: 5/11/2015

**UNITED STATES GENERAL SERVICES ADMINISTRATION
NOTICE OF SURPLUS DETERMINATION FOR FEDERAL
GOVERNMENT REAL PROPERTY**

May 15, 2015

49 L Street, SE
Washington, DC 20003
GSA Control Number: DC-496-1
HUD Number: 54201520003

Notice is hereby given that the subject property has been determined to be surplus Federal Government property, and is available for disposal pursuant to certain provisions contained in 40 U.S.C.101 et seq., the Property Act, as amended and applicable regulations.

The U.S. Department of Housing and Urban Development (HUD) has determined that the property is suitable for possible use for facilities to assist the homeless under the Stewart B. McKinney – Vento Homeless Assistance Act (42 U.S.C. 11411), as amended, and was published in the Federal Register on May 15, 2015. The property is being screening for (60) days from the date of this notice for expressions of interest from qualified homeless providers in accordance with the Stewart B. McKinney Homeless Assistance Act, as amended. If no expressions of interest for homeless use are received within the specified timeframe, then the property will be considered for disposal as surplus real property.

Under Title V of the Stewart B. McKinney Homeless Assistance Act (McKinney Act) (42 U.S.C. 11411), as amended public bodies and eligible nonprofit organizations concerned with providing assistance to the homeless may apply to lease Government property determined suitable by HUD for homeless use. Also, States and their political subdivisions and instrumentalities, tax-supported institutions, and their nonprofit institutions which have been held exempt from taxation under Section 501(c) (3) of the 1954 Internal Revenue code may apply to acquire Government property determined suitable by HUD for homeless use under Section 203 (k) of the Federal Property and Administrative Services Act of 1949, as amended. Interested parties will have 60 days from the above date to submit a written expression of interest and obtain necessary application forms from the Department of Health and Human Services (HHS). Public bodies and eligible nonprofit organizations wishing to apply for the property should contact:

**Theresa Ritta
Chief, Real Property Branch
Division of Real Property
U.S. Department of Health and Human Services
5600 Fishers Lane, Room 12-07, Parklawn Building
Rockville, Maryland 20857
(301) 443-6672 Phone
(301) 443-0084 Fax
Theresa.Ritta@psc.hhs.gov**

GSA administers a program for the donation of Federal surplus property through a network of individual State Agencies for Surplus Property (SASP). A pamphlet describing the surplus property program will be included in the application provided by HHS.

PROPERTY DESCRIPTION: Constructed in 1924, the asset consists of a 32,013 rentable square foot warehouse with approximately 3,000 rentable square feet of office mezzanine space. The building is situated on a 29,563 square foot parcel, one block from Nationals Park, in an area that has experienced significant commercial and residential development. The asset generally identified as Square 0699, Tax Lot 0825 was primarily used to house event equipment, but due to the structural problems with the roof, GSA gave notice to vacate the premises. The property is located at 49 L Street, SE in Washington, D.C. The subject property is zoned C-3-C. The on-site improvement contains lead paint and asbestos. GSA estimates the cost at repairs necessary for basic building habitation, prior to any tenant improvement work at approximately \$4M.

The property is offered "AS IS" and "WHERE IS" without representation, warranty, or guaranty as to quantity, quality, title, character, condition, size or kind or that the same is in condition or fit to be used for the purpose for which intended.

For more information contact:

**Chafula Abdullah, RPA®
Realty Specialist
U.S. General Services Administration
National Capital Region
Property Disposal Division
301 7th. Street, S.W.
Room 7709
Washington, D.C. 20407
Telephone: 202-619-8949
Email: chafula.abdullah@gsa.gov**



April 13, 2015

MEMORANDUM FOR HEADS OF FEDERAL AGENCIES

FROM: TIMOTHY SHECKLER, (b) (6)
DIRECTOR, REAL PROPERTY UTILIZATION AND
DISPOSAL DIVISION (WPTZ - NCR)

Subject: Notice of availability of Excess Real Property
49 L Street, SE
Washington, DC 20003

GSA Control No. DC-496-1

The real property described on the following pages, having been reported excess, is hereby offered to other Federal agencies for possible utilization pursuant to provisions contained in Section 202 of the "Property Act" (40 U.S.C.) and in accordance with procedures established by the Federal Management Regulations 102-75.

The purpose of this notice is to determine whether there is any further Federal Government need for this property, in the absence of which the property will be determined surplus to the needs and responsibilities of the Federal Government and disposed of in accordance with existing laws and regulations.

You are requested to advise this office no later than thirty (30) days after the date of this letter in the event your agency has an interest in acquiring this property. Please communicate with this office if you desire any further information.

GSA can provide your agency with real estate strategies to optimize the utilization of your portfolio and assist you in complying with the President's Management Agenda. Our service offering includes:

- Transfer from one Federal Agency to Another
- Discount conveyances to State and Local Governments for Public Benefit Programs (ie. Homeless, Educational, Correctional, Law Enforcement, Public Health, Emergency Response, Park and Recreation, Etc.)

- Negotiated sales to State and Local Governments
- Competitive public sales (visit www.realestatesales.gov to learn about our current online auction sales)
- Appraisal and environmental consultation
- Relocations and exchanges
- Targeted asset reviews and utilization studies

We look forward to assisting you with your Federal real property needs. Federal clients are welcomed and encouraged to visit our Customer Resource Center at <http://disposal.gsa.gov> to download forms, research real property management regulations and asset management programs.

If you have any question or require some additional information please contact me at 202.401.5806.

NOTICE OF AVAILABILITY OF EXCESS REAL PROPERTY

DATE:	April 13, 2015
PROPERTY IDENTIFICATION:	49 L Street, SE Washington, DC 20004
GSA CONTROL NUMBER:	DC-496-1
HOLDING AGENCY:	General Services Administration
CUSTODIAN:	General Services Administration 301 7 th St, SW Washington, DC 20407
DESCRIPTION OF PROPERTY:	The property consists of a 1-story brick warehouse with 32,013 gsf on 0.68 acres.
RANGE OF POSSIBILITIES:	Multiple
REIMBURSEMENT:	Required at 100% of the appraised fair market value.
EXPRESSED INTEREST:	NONE
RESTRICTIONS:	Subject to Crane Swing Agreement
FOR FURTHER INFORMATION:	Tim Sheckler General Services Administration Real Property Utilization and Disposal Division 301 7 th St, SW, Rm 7709 Washington, DC 20407 Telephone: 202.401.5806
DEADLINE FOR EXPRESSING INTEREST:	May 13, 2015